

HOT JOBS - Go West, get a trade or embrace technology.

In the 80's the taxi drivers had science degrees while the newly minted IT graduates could name their price. Now in the first decade of the 21st century it's the people with a traditional trade qualification that are in demand or those that have skills in the emerging technologies; web design, database management and large project IT management. Add to that those with engineering qualifications who are prepared to pack a suitcase and go West, to Perth but usually beyond, where the mining boom has seen high demand and stiff competition drive up salaries significantly, when compared to other States.

This article looks at what jobs are hot in Australia right now and what makes them so. It also looks to the future to see what sectors or jobs are likely to be 'hot' in 10 years time.

When looking at what jobs or types of jobs are in demand, the normal market rules of demand and supply hold true. As the labour-force changes over time in its composition particularly around leading indicators such as; age/population, education, vocational learning and workforce participation are matched against market requirements, certain jobs or qualifications become more scarce or wanted and as with all commodities, the price goes up.

The lag effect

Structural change takes time. It's not a co-incidence that the teacher shortage in maths and sciences is a direct result of qualifications which 20 years ago were seen to be in over-supply. From a high level perspective, the higher growth rate of the labour force from the 1970s to the 1990s has been replaced by much slower growth since 2000. This slowing growth rate is expected to continue over the next decade. Even with increased migration to Australia, the forecast is for a continued and increasing shortage of skilled labour. ¹

A recent Australian Chamber of Commerce and Industry (ACCI) survey, found that 79 per cent of employers of all sizes are concerned about their ability to recruit employees with appropriate skills. For large employers, this figure rose to 82.5 per cent. Of more concern, the survey, which took in 1,685 companies, found that the availability of suitably qualified employees has become the number one constraint on future investment decisions for the first time in 14 years.¹

After a blip on the trend line caused by the global financial crisis, the re-emergence of Australia's skills shortage is being compounded by our ageing population. As skilled baby boomers reach retirement age, we will continue to experience significant loss of skills and experience. The aging of the labour force will dramatically lower overall participation rates.

When future gazing it will be the service related sectors in Australia that will continue to grow and require labour. Trade qualifications particularly in building and construction will still be in demand in the next decade, as will skilled health workers and secondary teachers, particularly in regional areas.

What's 'hot' right now

Generally these are the types of skills that the Department of Employment, Education and Workplace Relations¹ advise are difficult to fill across the board but particularly in regional areas of Australia. Remember this is very general headline information, but we will look at

opportunities in more detail later in this article and there are many useful websites to trawl through to get specific data.

Higher Skill, Qualification or Experience

Registered Nurses, Chefs, Real Estate Sales Agents, Motor Mechanics

Structural Steel and Welding Trades Workers, Metal Fitters and Machinists

Lower Skill, Qualification or Experience

General Clerks, Child Carers, Truck Drivers, Receptionists

Waiters, Bar Attendants and Baristas

Sales Representatives, Sales Assistants (General)

In New South Wales hot jobs in the form of wanted skills include; management roles in engineering, project management, mining production management and child care centres. These jobs are all showing high but unfilled demand and this is largely played out in other States.

In regional NSW, Victoria and Queensland, there are reported difficulties in recruiting for some of the more specialist accounting functions such as; taxation, audit, risk and forensic accounting and regional areas are also finding difficulty in recruiting surveyors and planners, and engineers of all persuasions; civil, chemical, structural, transport and electrical.¹

The mining sector reports significant opportunities for geologists, the education sector is in need of early childhood teachers, secondary teachers in regional areas, particularly maths and science and special needs teachers. In health services; radiographers, optometrists, occupational therapists, dental specialists, midwives and registered nurses generally are in short supply.

This research undertaken by the Department of Employment, Education and Workplace Relations (DEEWR), also highlighted less popular occupations or highly specialist roles, some requiring significant training that are also in short supply; arborists, locksmiths, stonemasons, hairdressers, jewellers and sign-writers made it into this group.

According to Australian Industry Group CEO Heather Ridout,² "A lot of the skill shortages are in mainstream occupations such as engineering where Australia has been under investing in people for some time. It took us a decade to get our training levels back after the 90's recession and this time we have moved more quickly. While there will be some legacy it won't be as extreme." She said.

¹ www.deewar.gov.au Skills shortage lists by State

² Herald Sun June 14 'The jobs no one wants.'

The Union movement is also concerned about the under investment in our trades and the move away from supporting apprenticeships and providing the financial incentives for business to encourage take-up.

An ACTU Background Paper from 2004³ estimated that an ageing manufacturing industry workforce meant that for the past 5 years, 170,000 tradespeople would leave industry, but only 40,000 would enter it. If the math is correct, that research predicted a shortage of 130,000 skilled workers.

Research by Dr Phillip Toner of the University of Western Sydney⁴ confirms a long-term decline in the proportion of apprentices in training which the ACTU estimates a shortfall of up to 25,000 apprentices a year⁵. Further, they say for those apprentices in training, many drop out because of low wages and poor working conditions. An 18 year old entering an apprenticeship in the manufacturing industry is paid significantly less than a fast food trainee working in a fast food shop flipping burgers.

Six years ago the lack of young people taking up apprenticeships and traineeships was indicated by figures showing close to a third of those joining the Federal Government's New Apprenticeships program were 25 years and older. In NSW more than 16 per cent of apprentices and trainees were over 45. The evidence would say that not much has changed since then.

The shortage of skilled labour in the last three professions was confirmed by the Housing Industry Association last month. Its research team estimated the shortfall of skilled workers in residential construction was currently just under 60,000, and would blow out to almost 65,000 nationally by 2012.

"The residential construction industry is almost certainly going to face a skills crunch," HIA's chief Shane Goodwin said.⁶

"Improving employee skills is vital if Australia is to meet the challenge of the ageing workforce," said Peter Hendy, chief executive of the ACCI.⁷

³ www.actu.org.au background paper

⁴ Declining Apprentice Training Rates: Causes, Consequences And Solutions., Dr Phillip Toner, July 2003: <http://www.dsf.org.au/papers/110.htm>

⁵ News.com.au 24 June from Daily Telegraph 1 Feb 2010

⁶ Ibid: www.humanresourcesmagazine.com.au

⁷ www.ozres.com

“Industry badly needs a training system that is demand driven, provides incentives for training providers to better meet the needs of employers and encourages competition between and within the public and private training provider sectors.”

“Skill shortages together with new patterns of employment, new kinds of work and work organisation and new ideas concerning skills, knowledge and learning in industry, dramatically increase the need for further reforms to the VET system,” said Heather Ridout, chief executive of the Australian Industry Group.⁸

“A reformed VET system, delivering the skills required by industry in a flexible responsive manner, will play a significant part in addressing skill shortages. Reforms will increase the skills of individuals and the productivity of industry.”

She said the Australian economy as a whole needs to work smarter if it's to meet the challenges and benefit from opportunities posed by China and India and by Free Trade Agreements with countries such as the United States, Thailand and Singapore.

However the Construction, Forestry, Mining and Energy Union (CFMEU) said the strategy, which seeks further income support and wage subsidies to address declining rates of trades apprenticeships, wouldn't solve a looming skills shortage in the building and construction industry. While the CFMEU welcomed some of the Australian Industry Group's proposals, it was strongly critical of any proposals relying on government funding to substitute for low wages paid by employers.⁹

Go West young man (or woman)

As well as opportunities in the mining sector for engineers – the flow-on effect from a booming minerals sector has seen Western Australia emerge as leading a national surge in IT job salaries, as the employment market opens up in the recovery from the global financial crisis.¹⁰

More than 40 per cent of IT job categories in Perth have received a salary or contract rate rise in the first quarter of this year due to the rebound in the WA resources sector, a survey has found.

The study of salaries paid in more than 50 IT job categories in Australia's six largest capital cities during the first three months of 2010 showed pay pressure emerging in all states.

The Perth market was beginning to experience a skills shortage in key areas from IT managers to program managers, engineers, application development managers and others. Peoplebank (Australia) salary data¹¹ for the first quarter of this year, found East-coast states had seen pay rises in fewer categories and more in contract than permanent.

In NSW, vacancies jumped by 30 per cent for permanent opportunities and 20 per cent for contract jobs. Permanent salaries, in general, remained stable, but contract rates rose by 3-5 per cent since November.

⁸ www.news.com.au 24 June from Daily Telegraph 1 Feb 2010

Meanwhile, the number of IT roles in Queensland improved with about a 30 per cent increase from April 2009. South Australia also saw a significant month-on-month lift in permanent and contracting roles.

The in-demand skill sets included Java, .NET and ERP, the survey showed. One area that has seen substantial growth recently is software testing with web designers and administrators, business analysts and IT project managers all showing in demand status.

A recent survey¹² also suggests that, while IT workers received the biggest pay increases in Perth, the job market has grown most in Victoria, where the number of available roles has doubled in the past three months. South Australian has also become a competitive job market amongst employers in the first quarter of the year, while New South Wales, the Australian Capital Territory and Queensland all saw a lesser increase.¹³

For the next decade

The employment structure in Australia over the next 10 years is expected to remain similar to that of 2010, although changes in shares of employment will result from continuing increases or declines among some occupations. In general, manufacturing will lose employment while service-providing sectors will expand. The opportunities in mining and explorations are expected to continue as both the economies of China and India continue to grow.

Opportunities in “green” fields such as alternative energy, waste and water management, and the continued commitment by Australia’s government to infrastructure development major projects should see a continued requirement for engineering and trades skills.

⁹ www.news.com.au 24 June 2010 from the Daily Telegraph 1st Feb 2010

¹⁰ www.peoplebank.com.au

¹¹ www.peoplebank.com.au

¹² www.computerworld.com.au

¹³ www.computerworld.com.au

General reference: *Remuneration trends and human capital insights – forum notes*; Mercer Australia Pty Ltd.